

**BURLINGTON-EDISON SCHOOL DISTRICT No. 100**  
**Skagit County, Washington**  
**September 1, 1991 Through August 31, 1992**

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**Schedule Of Findings**

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1. Inventory And Cash Receipt Controls For ASB Concessions Should Be Strengthened

During our audit we noted the following internal control weaknesses relating to Associated Student Body (ASB) concession inventory and cash receipts.

- a. There are no records of concession soft drink or candy inventory being maintained.
- b. There are no records of concession cash receipts being maintained at the point of sale.
- c. There are no reconciliations being performed of cash receipts to expected revenue based upon goods sold.

RCW 43.09.200 states in part:

The system shall exhibit true accounts and detailed statements of funds collected, received, and expended for account of the public for any purpose whatever, and by all public officers, employees, or other persons.

The accounts shall show the receipt, use, and disposition of all public property, and the income, if any, derived therefrom; all sources of public income, and the amounts due and received from each source; all receipts, vouchers, and other documents kept, or required to be kept, necessary to isolate and prove the validity of every transaction; all statements and reports made or required to be made, for the internal administration of the office to which they pertain . . . .

The lack of proper inventory records and cash receipt procedures could lead to a loss of inventory and/or receipts which might not be detected in the normal course of business.

The *Accounting Manual for Public School Districts in the State of Washington* provides guidance on performing a preaudit of revenues based upon goods sold. These procedures were not being followed by ASB supervisors. Cash registers capable of performing adequate cash receipt procedures were available but were not being used.

We recommend the district continue to emphasize compliance with ASB procedures at the school level, including adequate inventory records for goods held for resale and proper cash receipting procedures to ensure that funds received are deposited intact. We further recommend that the district utilize the internal auditor for ASB internal control monitoring.